

**Fiscal Services Division**  
**Legislative Services Agency**  
**Fiscal Note**

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SF 2391 - Concrete Plants Tax Exemption (LSB 5153 SV)  
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Fiscal Note Version – New  
Requested by Senator Michael Connolly

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**Description**

Senate File 2391 results in concrete batch plants and hot-mix asphalt facilities being exempt from property tax.

**Background**

There are 250 concrete batch plants that are assessed in 43 counties and five cities. Of these, 154 plants are taxed as property, and 96 are not taxed as property. Mannatt's Concrete Company sued the Board of Review of Buchanan County claiming its concrete batch plant was machinery and equipment and should not be taxed as property. The Iowa District Court in and for Buchanan County ruled the Mannatt's concrete batch plant was machinery and equipment and exempt from property tax.

One hot-mix asphalt facility has been identified as being taxed as property.

**Assumptions**

1. The 154 concrete batch plants affected by this Bill have an estimated total taxable value of \$9.1 million. The hot-mix asphalt facility has a taxable value of \$18,000.
2. The consolidated tax rates for the locations of the affected concrete plants will be applied.
3. Taxing authorities whose levies are not at the statutory limit may adjust tax rates to offset the reduction in taxable value.

**Fiscal Impact**

Senate File 2391 would reduce property tax revenues for local governments by approximately \$325,000 annually, unless tax rates are adjusted to offset the reduction in taxable value.

**Sources**

Iowa State Association of Counties  
Department of Revenue  
Iowa State Association of Assessors

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/s/ Holly M. Lyons

March 27, 2006

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The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.

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